

# QUESTIONS AND ANSWERS

## Regarding FY 2008 Job Opportunities for Low-Income Individuals (JOLI) Program, Outreach Conference Call of May 9<sup>th</sup>, 2008

QUESTIONS	ANSWERS
1) <b>QUESTION:</b> Does the Office of Community Services (OCS) place a restriction on the use of JOLI funds?	<p><b>ANSWER:</b> An applicant may use JOLI funds to provide technical or financial assistance to program participants including persons who are low-income and private businesses or to support a micro enterprise business project.</p> <p>An applicant may not use JOLI funds to purchase or build real property. At least 20 percent of the JOLI funding must go toward providing financial assistance to private businesses or low-income persons participating in the JOLI project. The applicant must allocate funds for two staff persons to travel to Washington, DC to attend a grantee conference.</p>
2) <b>QUESTION:</b> What is the purpose of the allotment of 20 percent of funds that must be set aside?	<p><b>ANSWER:</b> The 20 percent of JOLI funds that an applicant must set aside should benefit the participants of the applicant's program. In other words, the 20 percent should help private employers to create or expand a business or to assist low-income persons who wish to start their own self employment/micro enterprise business.</p> <p>An applicant may use funds to provide start-up funding for a business, to provide funding to expand a business, to purchase a computer, to provide salaries and training stipends or to fund the cost of supplies. Applicants should fully explain how the 20 percent allotment will be used. Applicants will need to account for all funds when reporting to OCS in required semi-annual reports.</p>

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<p>3) <b>QUESTION:</b> How is the cost per job calculated? Will the Office of Community Services deduct from the calculation the costs for administration, travel, or other indirect costs?</p>	<p><b>ANSWER:</b> OCS calculates the cost per job by dividing the amount of JOLI funding received by the number of jobs that an applicant will create. For example, if an applicant receives \$475,000, it will be expected to create at least 31 jobs. The calculation would be 475,000 divided by \$15,000 (the maximum amount an applicant can expend to create one job).</p> <p>OCS will not deduct any administrative, travel, or other costs from the applicant's award to decrease the applicant's responsibility for creating jobs.</p>
<p>4) <b>QUESTION:</b> How many hours does a person need to be employed for it to count as full-time employment?</p>	<p><b>ANSWER:</b> The Family Support Act of 1988 as amended, which authorizes the JOLI program, represents a national commitment to assist TANF recipients and other low-income persons in the goal of achieving economic self-sufficiency. To give low-income persons the best opportunity to become self-sufficient, the JOLI program requires employers to hire participants in jobs they define as full-time. A full-time job is one that represents a stable wage or salary and often offers health benefits which are key to assisting TANF recipients and low-income persons in becoming economically self-sufficient. The Office of Community Services defers to state and local laws which operate in the local community for the specific number of hours that must be worked.</p>
<p>5) <b>QUESTION:</b> The conference call stated 20 percent of JOLI funds must go to a new business venture, business expansion or micro/self-employment business.</p> <p>Does this mean the 20 percent must go only toward persons who are TANF/low-income persons who are owners of businesses, or can</p>	<p><b>ANSWER:</b> The "participants," are considered both the persons who are low-income or TANF recipients and also those businesses that are creating jobs that will employ low-income persons.</p>

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<p>the 20 percent go toward the business ventures which will create new employment positions for persons who receive TANF/low-income?</p>	
<p>6) <b>QUESTION:</b> During the conference call, I believe I heard one of the speakers refer to the need for each grantee to submit a letter from a licensed certified public accountant (CPA) assessing the financial management of the grantee's organization. Is this correct? If so, please let me know what content is needed for this letter.</p>	<p><b>ANSWER:</b> On pages 27-28, the program announcement asks for information regarding the applicant organization and any other organization(s) that may cooperate with the applicant organization to fulfill the project. One item asked for is an audit report or letter from a licensed CPA. These documents need to specify that the financial management of the organization is in compliance with normal accounting procedures. The specific format is left to the discretion of the professional and applicant organization so long as the CPA verifies the compliance of the financial management system.</p>
<p>7) <b>QUESTION:</b> When we read organizational profile on page 27, and then look under the evaluation criteria section, the two sections do no correspond to one another. Please advice.</p>	<p><b>ANSWER:</b> Please respond to the program announcement according to the criteria in the organizational profiles section of the evaluation criteria.</p>
<p>8) <b>QUESTION:</b> The program announcement refers to three strategies that may be used such as business start up, business expansion or self employment/micro enterprise businesses. The program announcement also says that applications should focus only on one strategy area such as self employment. Can an application look at more than one area (i.e. water operators, wastewater operators, and Home Health) within self employment?</p>	<p><b>ANSWER:</b> Under program strategy three, applicants can focus on as many vocations under self-employment as they choose (e.g., Water operators, wastewater operators, and Home Health businesses).</p>

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<p>9) <b>QUESTION:</b> If the loan is to a business, does the business need to be identified in the application and a partnership established prior to submission, or can the revolving loan fund (RLF) be available to any business within a defined geographical area that would have an expansion opportunity during the contract period and agree to employ TANF recipients/low-income persons as part of the expansion?</p>	<p><b>ANSWER:</b> Traditional loans to a private business and loans made to self employment/micro enterprise business owners from revolving loan funds (RLFs) can be given using JOLI funds. Loans are made from RLFs to low-income persons who will start their own self employment/micro enterprise businesses and hire other low-income persons. Since the JOLI sponsored self employment/micro enterprise business has not started, the applicant cannot identify these persons at the time at which they are applying for JOLI funds.</p> <p>In contrast, traditional loans are different. The business with which the applicant will work and the number of jobs that will be created as a result of a business expansion or start up are an essential part of the application. Consequently, the applicant needs to identify private businesses which will receive loans in the application. In addition, the application should provide a third party agreement documenting the business's commitment to the objectives of the JOLI program including providing jobs for low-income persons and reporting the outcomes.</p>
<p>10) <b>QUESTION:</b> How many hours do you consider a full-time job?</p>	<p><b>ANSWER:</b> The Family Support Act of 1988, as amended, authorizes the JOLI program and represents a national commitment to assist in the economic self-sufficiency goal of TANF recipients and other low-income people. To give low-income persons the best opportunity to become self-sufficient, the JOLI program requires employers to hire participants in jobs they define as full-time.</p>
<p>11) <b>QUESTION:</b> Can our non-profit organization create jobs within our agency for low-income individuals?</p>	<p><b>ANSWER:</b> Eligible non-profit organizations providing a business plan reflecting this objective can create jobs for qualified low-income individuals. Because there is no third party relationship or partnership, the applicant has the potential of losing five points during the panel evaluation process according to the evaluation criteria. See, Third Party Agreements section on page 39 of the program announcement.</p>

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<p>12) <b>QUESTION:</b> How can our non-profit organization assist the OCS, ACF, JOLI Program and potential grantees in offering the much needed training to TANF recipients and the underserved in general?</p>	<p><b>ANSWER:</b> The JOLI program does not allow the use of funds for training grantees or TANF recipients, generally. The Office of Community Services encourages organizations to partner with other organizations which may provide the needed training. Organizations with goods and services they deem beneficial to the programs administered by the Office of Community Services (OCS) should seek out current and future vendor opportunities when advertised by OCS or contact the Department of Health and Human Services directly about contracting and procurement-related opportunities.</p>
<p>13) <b>QUESTION:</b> Regarding the provision that 20 percent of funds must go to revolving loans or direct assistance, can a micro enterprise T/A program that works closely with an already existing, but organizationally separate, high risk revolving loan fund hand the money over to that loan fund so they can handle the lending part, or does the applicant have to have or establish its own loan fund? And what happens to this 20% for lending at the end of the grant? Does it have to be returned?</p>	<p><b>ANSWER:</b> OCS will not fund any project where the role of the applicant is primarily to serve as a conduit for funds to organizations other than the applicant. The applicant must have a substantive role in the implementation of the project for which funding is requested. This prohibition does not bar the making of sub-grants or sub-contracting for specific services or activities needed to conduct the project. If an applicant uses the 20 percent allotment to set up a revolving loan fund (RLF), the money may stay in the geographic community indefinitely. If the applicant uses the money to provide direct financial assistance to a private business via a loan, then the principle must be disposed at the end of the project in accordance with 45 CFR Subsection 74.36 (3) (e), Subpart C).</p>
<p>14) <b>QUESTION:</b> I was told that if an organization subcontracts with other organizations to deliver technical assistance (T/A) services over a broader area, the applicant lead agency, according to standard federal regulations, needs to do 51% of the work and keep 51% of the grant. The lead agency's grant director needs to be budgeted at 50% or more of that person's base salary and the lead agency needs to have one full time employee serving under the grant. Is this true? And where does one find these standard federal regulations?</p>	<p><b>ANSWER:</b> Personnel costs related to the provision of technical assistance should be outlined by the applicant in the project budget and justification section of the application. There are no requirements for staff time allocations.</p> <p>An applicant should design T/A to address the specific needs of the private employer in creating jobs. T/A can be accomplished using third party agreements. Regulations governing financial and program management can be found in 45 CFR Subsections 74.20 and 74.50, Subpart C-Post-Award Requirements, may be useful in explaining the eligibility of sub recipients to carry out proposed activities, via properly executed third party agreements.</p>

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15) <b>QUESTION:</b> Do New Business Ventures mean that our non-profit organization can start a new business with the funds as long as the jobs created are filled with low-income individuals?	<b>ANSWER:</b> Yes. New business ventures can be started and operated by the applicant for the purposes of the award, as long as the terms and conditions of the award are met. If a third party(s) is involved, formal properly executed program compliance agreements are provided and signed by the applicant. For instance, if the applicant chooses to invest in, loan to, or otherwise sponsor a business, legally-binding agreements must compel the business to meet all project requirements for job creation, reporting etc.
16) <b>QUESTION:</b> If we start a new business - and we purchase a franchise do we need to describe all the details of the business or do you only need a business plan of how it will impact the potential staff?	<b>ANSWER:</b> The applicant must provide a business plan describing all the details of the business to be implemented and how it will benefit eligible program participants. This information can incorporate franchise-related business plans and materials.
17) <b>QUESTION:</b> If we use the allotted funds for a new business venture would we have "up to 36 months" to expend the funds and will there be additional funds after that date?	<b>ANSWER:</b> Plans for a new business must be implemented to the extent all the money is spent and the new jobs are created in three years. All objectives should be able to be accomplished in the 36 month time frame. After the conclusion of the 36 month period, applicants may consider applying for another JOLI grant to implement another project in a different geographic location.
18) <b>QUESTION:</b> I see that there have only been 12 out of 155 grants funded for new business ventures - Is there additional information regarding the past projects that I could see after completion of the three year grant?	<b>ANSWER:</b> Starting a new business is challenging. OCS has published summaries of projects funded in past years. Copies are available at our webpage: <a href="http://www.acf.hhs.gov/programs/ocs/joli/grantee_list.html">http://www.acf.hhs.gov/programs/ocs/joli/grantee_list.html</a> .
19) <b>QUESTION:</b> I am very interested in the new business ventures- is there any other information that I could access to see if the business grew	<b>ANSWER:</b> Currently, this information is not readily available as project monitoring does not go beyond the project period.

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after the grant period expired?	
<b>20) QUESTION:</b> I noticed that some of the past grantees were not able to meet their 'total of jobs created' goal- is there a penalty if this happens?	<b>ANSWER:</b> There is no penalty if a grantee has used its best effort and is unsuccessful in meeting its proposed objectives. In instances where grantees do not meet their objectives due to using funds in ways not approved by OCS, funds may be subject to disallowance. Accountability is extremely important in maintaining the integrity of the program and any future grant awards that an applicant may receive. Program progress and financial reports are expected and monitored throughout the project period. Final programmatic and financial reports are also due at the end of the project period. This is one of the important reasons applicants must provide as much evidence as possible supporting the feasibility of the project.
<b>21) QUESTION:</b> Can I get more information regarding revolving loan funds?	<b>ANSWER:</b> JOLI sponsored revolving loan funds (RLF) are only for eligible JOLI participants including private businesses and low-income persons.
<b>22) QUESTION:</b> re-reading the grant I don't find where we can use funds to cover stipend salaries while the person is in training. Can funds be used for participant training stipends?	<b>ANSWER:</b> Throughout the program announcement on pages, four, seven in the definitions section and 37 we give examples of the direct financial assistance that can be provided. The examples given are not exhaustive. Stipends or wages can be paid to a trainee(s) from JOLI funds used for direct financial assistance in the form of start-up or operating capital. The applicant must provide evidence that the use of these funds is feasible and linked directly to new job creation in the proposed business plan. This expense should be reflected in the applicant's budget.
<b>23) QUESTION:</b> The word "participants" in the grant application - does that include business or does it exclusively refer to low-income individuals (i.e. people for which the grant is creating jobs)?	<b>ANSWER:</b> The term "Participant" refers to those low-income individuals targeted for new jobs and any business agreeing to create jobs for this target population using a JOLI investment, including a JOLI sponsored revolving loan fund.
<b>24) QUESTION:</b> Can grantees work with a for-profit organization to create jobs for low-income individuals? Will those jobs be counted as part	<b>ANSWER:</b> Yes, grantees can work or partner with for-profit organizations to create jobs for low-income persons through third party agreements (such as loans, contracts, equity investments, etc. The new jobs for low-income individuals created by the third party will

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of the number we are trying to get to meet grant requirements?	be counted toward the number of jobs proposed by the applicant. An applicant will need a properly executed third party agreement to insure the terms and conditions of the grant award are met.
25) <b>QUESTION:</b> Are revolving loan funds (RLF) only for individuals whose salary constitutes low-income or income from the whole household? Some of the people seeking help to develop their businesses have higher income; however, they are creating their businesses to serve low-income persons.	<b>ANSWER:</b> Revolving loan funds are for eligible program participants. Businesses who propose to create the jobs are to target TANF recipients and other low-income individuals, including those endeavoring in self-employment and micro-enterprise activities.
26) <b>QUESTION:</b> Can we include office rent, utilities and equipment as part of the budget?	<b>ANSWER:</b> Applicants can include direct project expenses such as rent, equipment, and supplies, and indirect costs if the applicant has an HHS approved indirect cost rate.
27) <b>QUESTION:</b> How long must an eligible client participate in the program to be included as part of the count? What if an individual was selected for a low-income job and he worked for 6 months and quit. If we select a new person, will that increase the count by one?	<b>ANSWER:</b> The goal of the JOLI program is job creation for eligible program participants, i.e., newly created jobs employing people for 12 months. The attainment of this goal is an indicator participants have acquired experience and skills allowing movement toward self-sufficiency. In the instance of self employment/micro enterprise businesses, OCS does not consider a job to have been created until contracts/sub-contracts have been committed at the end of training.
28) <b>QUESTION:</b> We have a few questions regarding the Application for Federal Assistance SF-424. There are a few fields we need clarification: 4. Applicant Identifier - we don't think we have one and are not sure if we should have one 29) 5a. Federal Entity Identifier - same question 30) 13. Competition Identification Number - should we have one and where would we find it?	<b>ANSWER:</b> The applicant does not have to fill in the competition number or Applicant (2), State (3) or Federal Identifier fields (4). These will be filled in by HHS as necessary. Field number 13 is for the starting and ending times of the project. on
31) <b>QUESTION:</b> With regard to the Job Opportunities for Low-income Individuals funding opportunity, I'm wondering if salaries of program participants would qualify as "direct financial assistance" outside of a micro enterprise	<b>ANSWER:</b> Salaries can be paid from JOLI funds used for direct financial assistance in the form of start-up or operating capital for a new venture or self-employment and micro-enterprise opportunity.  The applicant must provide evidence that the use of these funds is feasible and linked



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<p>model. For example, within a business expansion model, would salaries still qualify?</p>	<p>directly to new job creation in the business plan. This expense would be reflected in the budget.</p>
<p>32) <b>QUESTION:</b> Would a salary subsidy fit within your parameters of direct financial assistance - i.e. if the grantee paid a portion of a program participant's salary and the business partner paid the remainder?</p>	<p><b>ANSWER:</b> The examples given of direct financial assistance are not exhaustive. Salary subsidies can be paid from JOLI funds used for direct financial assistance in the form of start-up or operating capital for a new venture or self-employment/micro-enterprise opportunity.</p>